

Presentation to the Adoption Subsidy Interim Study Committee

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November 8, 2004



The Adoption and Safe Families Act (ASFA) of 1997 called to double the number of adoptions by the year 2002 and improve the safety, well-being, and permanency needs of children in the child welfare system. The Act provided Adoption Incentive Payments for states increasing numbers of adopted children.

Key Issue for States:

How to Structure Adoption Subsidy Programs to Increase Adoptions and Improve Outcomes for Children

Iowa's adoption rates have steadily increased as a result of ASFA, with the number of adoption subsidies more than doubling since FY 1998:

**FY98 Adoption Subsidy Average Monthly Caseload
3176**

**FY05 Adoption Subsidy Average Monthly Caseload
6814**

Iowa's adoption subsidy costs have also grown:

**FY98 Adoption Subsidy State Expenditures
\$7.3 million**

**FY05 Adoption Subsidy State Expenditures
\$27.5 million (estimated)**

- **Since FY98, Iowa has received \$3.87 million in federal bonuses for meeting federal goals**

The Adoption Subsidy Program has enabled Iowa to move children who otherwise would be in foster care into permanent homes – transferring primary responsibility for the child from the state to the family.

82% of subsidized adoptions have been to families who previously had been foster parents to these children.

(According to the 1999 survey conducted by DHS)

Strong rationale for general equivalency in state payments under subsidized adoptions to those under foster care:

- **Practical reason that there should not be a financial disincentive for foster parents to adopt children in their care**
- **Recognition that children in foster care have special needs that do not go away when children are adopted**
- **Recognition that agreements established at the time of adoption should cover future eventualities and be clear to the parties to the adoption**

Research, including brain research, shows that many children adopted as special needs children:

- **Have deep-seated issues that require long-term, and sometimes lifelong, care and attention**
- **Will present challenging behaviors throughout childhood, regardless of the degree of love and nurturing provided by adoptive parents**
- **Often manifest more severe conditions as they grow older that require more costly services to address (much as the average costs of foster care increase with child age)**
- **Only fare better as adopted children (as opposed to continuing in foster care or with their birth families) if they receive services, when needed, to address these concerns**

A particular challenge adoptive parents of young children often face is securing quality child care that will accept their children:

- **Therapeutic child care arrangements are important for young children with severe emotional and behavioral issues, but difficult to secure**
- **Increasing numbers of children who are being “expelled” from child care due to challenging behaviors**
- **Stress of families is great when care cannot be arranged**

Limited information on Iowa's adoption subsidy program, but surveys of adoptive parents (*Beyond Adoption*) show that, even before “cost containment measures” established in 2004:

- **A significant number of adoptive parents faced great stress and strain, primarily as a result of difficulty obtaining needed services for their children's special needs**
- **This stress tended to increase with time after adoption, as adoptive parents often had more difficult time negotiating for needed services with their workers**
- **There was significant variation across workers in what they approved for adoptive parents, which made a great deal of difference in adoptive parent satisfaction**
- **Adoptive parent concerns were about the well-being of their adoptive children and ability to obtain services for them, not about the subsidy payments**

Adoption Subsidy Program should be based upon:

- **Recognition that adoptive parents are providing love and nurturing and the best opportunities for their adoptive children, but this cannot erase past harm or need**
- **General equivalency between what is provided to children with special needs, whether in foster care or through adoption**
- **An overall structure that insures that special needs of adoptive children are addressed without excessive financial risk or harm to the adoptive family**
- **Agreements between the state and adoptive parents at the time of adoption that are clear on how they extend through the adoptive child's childhood**

Final Comments:

- **Adoption Subsidy Program is a cost savings to the state, compared with the foster care program, even when equivalent benefits are provided.**
- **Maintaining a strong special needs adoption program relies upon treating adoptive parents fairly and not exposing them to additional financial risk.**

Questions to Consider

- **How have the federal bonuses been allocated?**
- **What is the role and contribution of Title IV-E funds?**
- **Will all families who meet income eligibility for the Child Care Assistance Program continue to receive the child care subsidy?**
- **How many adoptive parents have been and will be ineligible for the Child Care Assistance Program because of their income?**